

Gloucester City Board of Education

520 Cumberland Street
Gloucester City, New Jersey 08030

Margaret M. McDonnell
Business Administrator/Board Secretary

Phone: (856) 456-4250 ext 2160
Fax: (856) 456-3169

MEMORANDUM

TO: All District Staff
FROM: Margaret M. McDonnell, School Business Administrator
DATE: September 29, 2008
RE: Tax Sheltered Annuities 403b Plan

Over the past several years a significant number of employers have been audited by the Internal Revenue Service and found to be out of compliance with IRS guidelines for Tax Sheltered Annuities. We have contracted with a firm to administer our Tax Sheltered Annuity (403b) Program in compliance with IRS guidelines. Starting immediately, our Tax Sheltered Annuity (403b) Program will be administered by The OMNI Group (OMNI) – a firm that met all school district requirements, has a national reputation, and is currently performing this task for over 500 other school districts throughout the United States. Under our agreement, it is OMNI's responsibility to ensure that the district, its employee participants, and each of our vendors and their agents adhere to all the many compliance regulations promulgated by the IRS.

As part of the process of assuring compliance with IRS regulations we must standardize our Tax Sheltered annuity forms. Every employee of the Gloucester City School District must sign the enclosed OMNI 403(b) Flex Form and submit it by October 7, 2008 to the Payroll Department in the Business Office. If you do not wish to participate, you must still complete and return a form to the Payroll Department in the Business Office. Employees who currently have a Tax Sheltered Annuity and do not submit a completed form, your deduction will be stopped when OMNI assumes full administration of the program. IRS regulations will not permit OMNI to process your payment without a completed form.

If you do not wish to participate: (YOU MUST STILL RETURN FORM)

- Complete top of the OMNI Flex Form (does not require your SS#)
- Under Part 1 check the box entitled "I do not wish to participate at this time"
- Sign your name under Part 4
- Return OMNI Flex Form to the Payroll Department in the Business Office by October 7, 2008

If you are making no changes to your account:

- Complete top of OMNI Flex Form
- Under Part 1 check the box entitled "No Change"
- Complete Part 2 (403B Fund Company's and current deductions are listed on your pay check)
- Sign your name under Part 4
- Return OMNI Flex Form to Payroll Department in the Business Office by October 7, 2008

If you are making a change to the dollar amount:

- Complete top of OMNI Flex Form
- Under Part 1 check the appropriate box(es)
- Complete Part 2 (403B Fund Company's and current deductions are listed on your pay check)
- Sign your name under Part 4
- Return OMNI Flex Form to Payroll Department in the Business Office by October 7, 2008

New Enrollees or change of Investment Vendor:

- Obtain vendor list from your Payroll Department in the Business Office
- Contact vendor of choice to establish account
- Complete top of OMNI Flex Form
- Under Part 1 check box stating, "Initiate New Salary Reduction" and complete information pertaining to new account
- Complete Part 2
- Complete and sign your name under Part 4
- Sales agent, when applicable, should complete Part 5 prior to returning the OMNI Flex Form to Payroll Department in the Business Office by October 7, 2008

If you have any questions, please call OMNI toll-free: 1-877-544-6664. All changes or additions will be effective November 25, 2008. After this initial set-up, all forms can be faxed or mailed directly to The OMNI Group. In the future the OMNI Flex Form and the district's approved 403(b) vendor list may be found on the OMNI website at: www.omni403b.com. Thank you for your prompt attention and cooperation in this matter.